

**SECRET**

SAPC-6015  
Copy 2 of 6

Letter Contract No. ST-506

12 May 56

The Firewal Company  
3685 Broadway  
Buffalo, New York

Attention:

25X1

Gentlemen:

1. An order is hereby placed with you, effective 1 April 1956, to furnish to the Government through 30 June 1956, pursuant to instructions of the Contracting Officer hereunder, the services of qualified engineers, technicians and other personnel to perform for the Government certain duties for which such engineers, technicians and other required personnel have been specifically selected and/or recruited and trained under an existing contract between the Government and the Contractor. Such services shall be made available to the Government and shall be performed by such technicians at a place (or places) designated by the Government, including a place (or places) outside the continental limits of the United States. The services to be performed hereunder by the Contractor and by the Contractor's personnel contracted for hereunder, the conditions under which such services are to be performed, the number and types of personnel to be furnished by the Contractor hereunder, the basic rates of pay and related incentive provisions applicable to performance of such services by the Contractor's personnel, and the nature of other direct costs, and the provisions for indirect costs, are hereby agreed to be those (i) made known to Contractor's representatives by representatives of the Government and recorded in correspondence and tentative agreements between the parties hereto with respect to requirements of the Government for such services and (ii) made known to the Government by the Contractor with respect to estimates of direct costs and indirect costs applicable hereunder and recorded in correspondence and tentative agreements between the parties hereto with respect to probable costs of such services.

2. Except as otherwise expressly provided to the contrary herein, you are directed, upon your acceptance of this order, to proceed immediately to prepare the necessary materials and supplies and to process and assign the necessary qualified personnel, and to do all other things necessary to expeditiously and promptly make available to the Government, at the time and place (or places) designated, the services of the qualified technicians and other personnel contracted for hereunder.

3. By your acceptance hereof, you undertake without delay to proceed to negotiate a definitive contract with the Government in accordance with the discussions which may have heretofore taken place, the terms and conditions of which may or may not be at variance with the provisions of this order. It is expected that we can reach agreement on such a definitive contract by approximately 15 June 1956. The failure of either party to do so by that date will not in any way effect performance hereunder. The

**SECRET**

**SECRET**

Contractor shall prepare, no later than 1 June 1956, as a basis for negotiation of a definitive contract, a revised proposal and technical exhibit indicating types of personnel proposed to be furnished hereunder, numbers of such personnel by type, rates of pay per week or month for each type of personnel, indirect costs considered applicable thereto, and incentive provisions, other direct costs and proposed profit rate.

4. You are not authorized to expend or obligate in furtherance of your performance hereunder more than \$2,500.

5. The definitive contract contemplated hereunder is a Government fiscal year contract providing for a fixed-man-month rate for services rendered hereunder, such man-month rate to be negotiated for each particular labor classification involved and including in each instance the direct costs of salary and the indirect costs applicable thereto, plus appropriate profit or fee. In addition provision will be made for direct reimbursement of other necessary costs including incentive provisions, travel, etc. The Contractor shall prepare, no later than 1 June 1956, a revised proposal indicating cost of furnishing the required services through 30 June 1956. Pending the revised proposal and negotiation of a definitive contract, the Contractor shall submit actual costs incurred for billing purposes based on tentative agreements between the Government and the Contractor as to what constitutes costs, direct and indirect, hereunder.

6. Pending the execution of a definitive contract, any termination by the Government will be governed by the standard termination provisions of the Armed Services Procurement Regulations, as modified by security requirements and the particular circumstances of this order.

7. The Government shall have the option of renewing this Letter Contract, or subsequent definitive contract, for the period 1 July 1956 to 30 June 1957 and for the period 1 July 1957 to 30 June 1958, subject to the availability of funds for this purpose for such fiscal years 1957 and 1958.

8. Progress payments will be made as the services are rendered upon the presentation of invoices showing the costs incurred and chargeable to this Letter Contract. Such invoices shall not be presented more frequently than once each month, unless more frequent presentation is approved by the Contracting Officer. Such progress payments shall be made to the extent of ninety (90) percent of the amount of such invoices. The aggregate amount of progress payments or sales billings made to you hereunder shall not exceed \$2,250. If the Government shall make any progress payments to you hereunder, the title to all materials, parts, assemblies, subassemblies, supplies, equipment, and all other property, theretofore or thereafter, purchased, constructed, or otherwise acquired by you for the performance of the Letter Contract, shall automatically pass to and vest in the Government. Such passage and vesting of title shall neither impair any rights of the

<sup>2</sup>  
**SECRET**

**SECRET**

Government hereunder, nor relieve you of any of your obligations nor deprive you of any of your rights hereunder.

9. It is contemplated that this order will be governed by standard clauses utilized in other contracts between your company and the Government. Public policy provisions required by law, regulation, or executive order will similarly apply. Exceptions thereto, to the extent required by the security considerations of the work being performed hereunder and the program to which it relates, may be made, as necessary.

10. The Contractor shall not reveal (i) the specific nature or any details of the work being performed hereunder or (ii) any information whatsoever with respect to the existence of this contract or the department of the Government sponsoring this contract and the work thereunder to any person or to any department of the Government without the express consent of the Contracting Officer hereunder or his duly authorized representative for security matters.

11. Title to all Government furnished property shall remain in the Government and shall be so identified while in the possession of the Contractor, as directed by the Contracting Officer.

12. You will report to the Government at periodic intervals as to the progress being made hereunder.

13. Upon signature by you and return of the original and one copy of this letter, it will constitute a contract on the terms set forth herein. Only one copy will be retained in your files under such security conditions as the Government may impose. Copies will not be made without the Government's permission.

THE UNITED STATES OF AMERICA

SIGNED

By \_\_\_\_\_  
Contracting Officer

ACCEPTED FOR:

The Fernal Company, Inc., Buffalo, N.Y.

By \_\_\_\_\_

Title \_\_\_\_\_

Date 5/17/57

**SECRET**

3

25X1